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09/639,948	08/17/2000	Ned Hoffman	STA-25	4850
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MARGER JOHNSON & MCCOLLOM, P.C. - You Technologies 210 SW MORRISON STREET SUITE 400 PORTLAND, OR 97204			EXAMINER	ZELASKIEWICZ, CHRYSTINA E
			ART UNIT	PAPER NUMBER
			3621	
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		10/14/2009	PAPER	

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

<b>Office Action Summary</b>	<b>Application No.</b> 09/639,948	<b>Applicant(s)</b> HOFFMAN, NED
	<b>Examiner</b> CHRYSTINA ZELASKIEWICZ	<b>Art Unit</b> 3621

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --  
**Period for Reply**

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
  - If no period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
  - Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(o).

#### Status

- 1) Responsive to communication(s) filed on 09 July 2009.
- 2a) This action is FINAL.      2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

#### Disposition of Claims

- 4) Claim(s) 1-16,18-24,26-48,50-56 and 58-69 is/are pending in the application.
- 4a) Of the above claim(s) 1-16,18-24,26-31,64,66 and 69 is/are withdrawn from consideration.
- 5) Claim(s) \_\_\_\_\_ is/are allowed.
- 6) Claim(s) 32-48,50-56,58-63,65,67 and 68 is/are rejected.
- 7) Claim(s) 32-48,50-56,58-63,65,67 and 68 is/are objected to.
- 8) Claim(s) \_\_\_\_\_ are subject to restriction and/or election requirement.

#### Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on \_\_\_\_\_ is/are: a) accepted or b) objected to by the Examiner.  
 Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).  
 Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

#### Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) All    b) Some \* c) None of:  
 1. Certified copies of the priority documents have been received.  
 2. Certified copies of the priority documents have been received in Application No. \_\_\_\_\_.  
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

\* See the attached detailed Office action for a list of the certified copies not received.

#### Attachment(s)

- 1) Notice of References Cited (PTO-892)
- 2) Notice of Draftsperson's Final Drawing Review (PTO-444C)
- 3) Information Disclosure Statement(s) (PTO/SB/08)  
 Paper No(s)/Mail Date September 24, 2009, March 23, 2009
- 4) Interview Summary (PTO-413)  
 Paper No(s)/Mail Date \_\_\_\_\_
- 5) Notice of Informal Patent Application
- 6) Other: \_\_\_\_\_

**DETAILED ACTION**

**Election/Restrictions**

1. Applicant's election with traverse of Invention II, claims 32-48, 50-56, 58-63, 65, and 67-68, in the reply filed on July 9, 2009 is acknowledged. The traversal is on the ground(s) that "the differences between the claims are sufficiently narrow to the use of the rule modules, the Applicant believes the claims of both groups can be searched and examined together without imposing a burden" (Response to Restriction Requirement filed July 9, 2009 p1-2).
2. This is not found persuasive because the method of Invention I requires a preference designation step and registration period, whereas the system of Invention II requires an electronic consumer loyalty or rewards incentive (Requirement for Restriction mailed June 9, 2009 p2). These inventions require different fields of search for the distinct limitations, and the prior art of one invention would not likely be applicable to the other invention.
3. The requirement is still deemed proper and is therefore made FINAL.
4. Claims 1-16, 18-24, 26-31, 64, 66, and 69 are withdrawn from further consideration pursuant to 37 CFR 1.142(b), as being drawn to a nonelected invention, there being no allowable generic or linking claim. Applicant timely traversed the restriction (election) requirement in the reply filed on July 9, 2009.

**Acknowledgements**

5. This action is in reply to the Response to Restriction Requirement filed July 9, 2009.
6. Claims 1-16, 18-24, 26-48, 50-56, 58-69 are currently pending.
7. Claims 1-16, 18-24, 26-31, 64, 66, and 69 are withdrawn.
8. Claims 32-48, 50-56, 58-63, 65, and 67-68 are examined.
9. This Office Action is given Paper No. 20091005 for references purposes only.

**IDS**

10. The Information Disclosure Statements filed on March 23, 2009 and September 24, 2009 have been considered. An initialed copy of the Form 1449 is enclosed herewith.

**Specification**

11. The specification is objected to as failing to provide proper antecedent basis for the claimed subject matter. See 37 C.F.R. §1.75(d)(1), MPEP §608.01(o), and MPEP §2181 IV and its discussion of 37 C.F.R. §1.75(d)(1). Appropriate correction of the following is required:

- a. "means for receiving" in claim 67.

**Claim Objections**

12. Examiner withdraws the previous claim objections.

**Claim Rejections - 35 USC § 112, 2<sup>nd</sup> paragraph**

13. The following is a quotation of the second paragraph of 35 U.S.C. 112:

The specification shall conclude with one or more claims particularly pointing out and distinctly claiming the subject matter which the applicant regards as his invention.

14. Claim 67 is rejected under 35 U.S.C. §112, second paragraph, as being indefinite for failing to particularly point out and distinctly claim the subject matter which applicant regards as the invention.

15. The following claim elements are means plus function limitations that invoke 35 U.S.C. §112, sixth paragraph:

b. "means for receiving" in claim 67.

16. However, the written description fails to disclose the corresponding structure, material, or acts for the claimed function. Applicant is required to:

c. Amend the claim so that the claim limitation will no longer be a means plus function limitation under 35 U.S.C. §112, sixth paragraph; or

d. Amend the written description of the specification such that it expressly recites what structure performs the claimed function without introducing any new matter (35 U.S.C. §132(a)).

17. If Applicant is of the opinion that the written description of the specification already implicitly or inherently discloses the corresponding structure so that one of ordinary skill in the art would recognize what structure performs the claimed function, Applicant is required to clarify the record by amending the written description of the

specification such that it expressly recites the corresponding structure for performing the claimed function and clearly links or associates the structure to the claimed function, without introducing any new matter (35 U.S.C. 132(a)).

18. Examiner finds that because the claims are indefinite under 35 U.S.C. §112, 2<sup>nd</sup> paragraph, it is impossible to properly construe claim scope at this time. However, in accordance with MPEP §2173.06 and the USPTO's policy of trying to advance prosecution by providing art rejections even though these claims are indefinite, the claims are construed and the prior art is applied as much as practically possible.

#### **Claim Rejections - 35 USC § 101**

19. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

20. Claims 68 is rejected under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter.

21. Based on Supreme Court precedent<sup>1</sup> and recent Federal Circuit decisions, a § 101 patent eligible process must (1) be tied to a particular machine (or apparatus); or (2) transform a particular article to a different state or thing. See *In re Bilski*, 545 F.3d 943, 88 USPQ2d 1385 (Fed. Cir. 2008) (en banc). This is called the Machine-or-Transformation Test.

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<sup>1</sup> *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972); *Cochrane v. Deener*, 94 U.S. 780, 787-88 (1876).

- e. To meet prong (1), the method steps of claim 68 should positively recite the machine to which it is tied. Alternatively, or to meet prong (2), the method steps should positively recite the material that is being changed to a different state, or positively recite the subject matter that is being transformed. For example, a method claim that would *not* qualify as a patent eligible process because it fails both prongs of the Machine-or-Transformation Test would be a claim that recites purely mental steps.
- f. In this particular case, the process claims fail prong (1) because the method steps of electronic communication formation, bid biometric transmittal, user identification, electronic communication authorization, rule-module invocation, and electronic communication execution are not tied to a specific machine since the method step could be performed by a human being. Finally, Examiner notes that the claims fail prong (2) because the method steps do not transform the underlying subject matter to a different state or thing.

#### **Double Patenting**

22. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. A nonstatutory obviousness-type double patenting rejection is appropriate where the conflicting claims are not identical, but at least one examined application claim is not patentably distinct from the reference claim(s) because the examined application claim is either anticipated

by, or would have been obvious over, the reference claim(s). See, e.g., *In re Berg*, 140 F.3d 1428, 46 USPQ2d 1226 (Fed. Cir. 1998); *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

23. A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) or 1.321(d) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent either is shown to be commonly owned with this application, or claims an invention made as a result of activities undertaken within the scope of a joint research agreement.

24. Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

25. Claims 32-48, 50-56, 58-63, 65, and 67-68 in the instant application are provisionally rejected on the ground of nonstatutory obviousness-type double patenting as being unpatentable over claims 1-16 in copending application 11/321,114 and claims 1-20 in US patent 6,012,039. Although the conflicting claims are not identical, they are not patentably distinct from each other because the subject matter of the instant application would have been obvious to one of ordinary skill in the art in light of the disclosure of applications 11/321,114 and US patent 6,012,039. The instant application is directed to comparing biometric samples taken from a user to biometric samples

stored in an electronic identicator; and upon successful identification, invoking a rule-module for processing a consumer loyalty or rewards incentive. Application 11/321,114 is directed to successfully identifying biometric samples and at least one rule module. US patent 6,012,039 is directed to comparing biometric samples from an issuer with samples stored at an electronic identicator, and upon successful identification, a reward transaction is authorized. The instant application would have been obvious to one of ordinary skill in the art in light of application 11/321,114 and US patent 6,012,039 because both encompass identification based on biometric samples, and upon successful identification, authorizing an action (i.e. invoking a rule-module) for a reward transaction.

26. This is a provisional obviousness-type double patenting rejection regarding application 11/321,114 because the conflicting claims have not in fact been patented.

#### **Allowable Subject Matter**

27. Claim 67 would be allowable if rewritten to overcome the rejection(s) under 35 U.S.C. §112 2<sup>nd</sup> paragraph, set forth in this Office action and to include all of the limitations of the base claim and any intervening claims.

28. Claim 68 would be allowable if rewritten or amended to overcome the rejection(s) under 35 U.S.C. 101, set forth in this Office action.

29. Claims 32-48, 50-56, 58-63, 65, and 67-68 would be allowable if rewritten or amended to overcome the claim objections set forth in this Office action.

30. Claims 32-48, 50-56, 58-63, 65, and 67-68 would be allowable if rewritten or amended to overcome the double patenting rejection set forth in this Office action.

### **Claim Interpretation**

31. After careful review of the original specification and unless expressly noted otherwise by Examiner, Examiner concludes that Applicant is not his own lexicographer. See MPEP § 2111.01 IV.

32. Examiner hereby adopts the following definitions under the broadest reasonable interpretation standard. In accordance with *In re Morris*, 127 F.3d 1048, 1056, 44 USPQ2d 1023, 1029 (Fed. Cir. 1997), Examiner points to these other sources to support his interpretation of the claims.<sup>2</sup> Additionally, these definitions are only a guide to claim terminology since claim terms must be interpreted in context of the surrounding claim language. Finally, the following list is not intended to be exhaustive in any way:

- g. **database** "A file composed of records, each containing fields together with a set of operations for searching, sorting, recombining and other functions."
- Computer Dictionary, 3rd Edition, Microsoft Press, Redmond, WA, 1997.

33. Furthermore, Examiner notes that claim 32 begins "A system for tokenless biometric authorization. . ." Additionally, "[c]laims in apparatus form conventionally fall into the 35 U.S.C. §101 statutory category of a 'machine.'" *Ex parte Donner*, 53 USPQ2d 1699, 1701 (B.P.A.I. 1999)(unpublished), (Paper No. 34, page 5, issued as

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<sup>2</sup> While most definition(s) are cited because these terms are found in the claims, Examiner may have provided additional definition(s) to help interpret words, phrases, or concepts found in the definitions themselves or in the prior art.

U.S. Patent 5,999,907). Products may be either machines, manufactures, or compositions of matter. MPEP §2106 IV B. 2 (a). For purposes of applying the prior art, the Examiner therefore finds that Applicant's apparatus claims (*i.e.* claims 32-48, 50-56, 58-63, 65, and 67) are "product" claims or more specifically, "machine" claims.

34. In light of Applicants' choice to pursue product claims (claims 32-48, 50-56, 58-63, 65, and 67), Applicants are reminded that functional recitations using the word and/or phrases "for", "adapted to", or other functional language (*e.g.* see claim 32 which recites "data entry device *for* formation", "device *for* electronically scanning") have been considered but are given little patentable weight because they fail to add any structural limitations and are thereby regarded as intended use language. To be especially clear, all limitations have been considered. However, a recitation of the intended use of the claimed product must result in a structural difference between the claimed product and the prior art in order to patentably distinguish the claimed product from the prior art. If the prior art structure is capable of performing the intended use, then it reads on the claimed limitation. *In re Casey*, 370 F.2d 576, 152 USPQ 235 (CCPA 1967) ("The manner or method in which such a machine is to be utilized is not germane to the issue of patentability of the machine itself."); *In re Otto*, 136 USPQ 458, 459 (CCPA 1963). See also MPEP §§ 31.06 II (C.), 2114 and 2115. Unless expressly noted otherwise by the Examiner, the claim interpretation principles in the paragraph apply to all claims currently pending.

35. The prior art made of record and not relied upon is considered pertinent to Applicant's disclosure (see attached form PTO-892).

36. For compact prosecution purposes, Applicant is reminded that optional or conditional elements do not narrow the claims because they can always be omitted. See e.g. MPEP §2106 II C.: "Language that suggests or makes optional but does not require steps to be performed or does not limit a claim to a particular structure does not limit the scope of a claim or claim limitation. [Emphasis in original.]"; and *In re Johnston*, 435 F.3d 1381, 77 USPQ2d 1788, 1790 (Fed. Cir. 2006) ("As a matter of linguistic precision, optional elements do not narrow the claim because they can always be omitted.").

37. In this case, claims 32 and 68 state "wherein an electronic communication is biometrically-authorized *without* the user having to present smartcards or magnetic stripe cards." To assisting in overcoming prior art rejections, Examiner suggests that Applicant re-write claims 32-48, 50-56, 58-63, 65, and 67-68 in the affirmative, without the 'negative' limitation.

### **Conclusion**

38. Applicant's amendment filed on March 23, 2009 necessitated the new grounds of rejection presented in this Office action. Accordingly, **THIS ACTION IS MADE FINAL**. See MPEP § 706.07(a). Applicant is reminded of the extension of time policy as set forth in 37 C.F.R. §1.136(a).

39. A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within

TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 C.F.R. §1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the date of this final action.

40. Because this application is now final, Applicant is reminded of the USPTO's after final practice as discussed in MPEP §714.12 and §714.13 and that entry of amendments after final is *not* a matter of right. "The refusal of an examiner to enter an amendment after final rejection of claims is a matter of discretion." *In re Berger*, 279 F.3d 975, 984, 61 USPQ2d 1523, 1529 (Fed. Cir. 2002) (citations omitted). Furthermore, suggestions or examples of claim language provided by Examiner are just that—suggestions or examples—and do not constitute a formal requirement mandated by Examiner. Unless stated otherwise by an express indication that a claim is "allowed," exemplary claim language provided by Examiner to overcome a particular rejection or to change claim interpretation has *not been addressed* with respect to other aspects of patentability (e.g. §101 patentable subject matter, §112, 1<sup>st</sup> paragraph written description and enablement, §112, 2<sup>nd</sup> paragraph indefiniteness, and §102 and §103, prior art). Therefore, any claim amendment submitted under 37 C.F.R. §1.116 that incorporates an Examiner suggestion or example or simply changes claim interpretation will nevertheless require further consideration and/or search and a patentability determination as noted above.

41. Any inquiry of a general nature or relating to the status of this application or concerning this communication or earlier communications from the Examiner should be directed to Chrystina Zelaskiewicz whose telephone number is 571.270.3940. The Examiner can normally be reached on Monday-Friday, 9:30am-5:00pm. If attempts to reach the Examiner by telephone are unsuccessful, the Examiner's supervisor, Andrew Fischer can be reached at 571.272.6779.

42. Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only.

For more information about the PAIR system, see <http://portal.uspto.gov/external/portal/pair> <<http://pair-direct.uspto.gov>>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866.217.9197 (toll-free).

/Chrystina Zelaskiewicz/  
Examiner, Art Unit 3621  
October 5, 2009

/ANDREW J. FISCHER/  
Supervisory Patent Examiner, Art Unit 3621